



2018 Audit Plan

City of Minneapolis – Internal Audit Department
February 5, 2018



Internal Audit Department
350 South 5th Street, Suite 310 ½
Minneapolis, MN 55415-1316

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Honorable Members of the Audit Committee:

Enclosed is the Annual Audit Plan proposed by the Internal Audit Department for 2018. There are eighteen projects on the 2018 Audit Plan. The plan includes three audits and one consultation carried over from the 2017 Audit Plan. The plan includes six new audits, five consultations, and three projects.

These projects range from enterprise-wide projects that address systemic risk, to department- and process-specific projects that assist very specific aspects of City operations.

Sincerely,

A handwritten signature in black ink that reads "Kiril Vassiliev". The signature is written in a cursive, flowing style.

Kiril Vassiliev, Manager – Internal Audit

Our Mission

To serve the City of Minneapolis and the public interest by providing objective services that enhance the City's ability to manage risks, improve internal controls, optimize efficiencies, reduce costs and strengthen accountability.

Introduction

The City of Minneapolis' Internal Audit Department has established a risk-based approach to determine the priorities for the 2018 Audit Plan, as is encouraged by the Institute of Internal Auditors. The objective of the risk assessment and audit plan is to gain an understanding of the risk profile of the City and the Minneapolis Park and Recreation Board (MPRB) and determine how to allocate the Internal Audit team's resources in a way to offer the greatest benefit.

The Annual Audit Plan was developed by conducting an enterprise risk assessment. The risk assessment process involves meeting with City, MPRB, Department and Divisional leaders to discuss risks, initiatives and roles in risk management. The leadership teams remain very cooperative and forthcoming in discussing their areas of responsibility.

The Annual Audit Plan is a point-in-time approach to allocating scarce resources; consequently, the plan can and will change to address emerging risks, staff direction and urgent matters. These updates will be reconciled and reported on periodically to the Audit Committee.

Risk Assessment Process

In conducting the Annual Risk Assessment, Internal Audit met with or solicited information from the Mayor, Council Members, Department heads and Divisional leaders to understand areas of risk within the city.

The risk assessment process will be a continual effort to attempt to remain informed of emerging risk, initiatives and opportunities to work with the City and MPRB to manage risk, provide independent assurance and consult on projects, implementations and initiatives. The Audit Department will work with the Audit Committee and enterprise leadership to prioritize work accordingly.

Departmental Projects

Beyond the audits and consultations, the Internal Audit team spends time on findings follow-up, risk assessment, benchmarking and monitoring City activities through committee meetings, press releases and conversations with City Leaders, elected officials and employees.

2018 Internal Audit Plan			
Audit Plan Year	Project Name	Project Type	Objective
2017 - Carryover	Third-Party Audit - Meet Minneapolis	Audit	Evaluate expenses and contractual obligations and requirements between the City and a selected third party.
2017 - Carryover	Third-Party Audit - Diversion Solutions	Audit	Evaluate expenses and contractual obligations and requirements between the City and a selected third party.
2017 - Carryover	Payroll	Audit	Review key financial and operational payroll processes and data and to determine if the recommendations from the 2013 Payroll audit have been implemented and to look for payroll fraud.
2015 - Carryover	IT - Police Records Management System Implementation	Consultation	Work with the MPD to identify risks with the configuration and implementation of a new records management system.
2018	Records Retention - CPED	Audit	Partner with Clerk Records staff to review CPED's records retention schedules, compliance, and prepare the department to address records issues when relocating to new office building in 2020.
2018	Records Retention - Public Works	Audit	Partner with Clerk Records staff to review Public Work's records retention schedules, compliance, and prepare department to address records issues when relocating to new office building in 2020.
2018	Affordable Housing	Audit / Consultation	Consult and collaborate with CPED staff tasked with affordable housing issues as they support the assessments and goal setting processes currently underway at the City. As beneficial provide the following services: a. Validating completeness/accuracy of data available to decision makers b. Assisting with arising issues/concerns by policy makers as they conduct their work c. Validating the reasonableness/achievability of goals being set d. Researching/reviewing proposed approaches for additional efficiency gains, validity of reporting metrics, and adequacy of proposed oversight
2018	Grant Management - City & Parks	Audit	Review grant management processes for the City and for the MPRB to determine whether they are adequate to ensure grant compliance.
2018	Fleet Services Division	Consultation	Work with Public Works Fleet Services division on how to best re-structure and optimize its business model.
2018	NCR Process Review	Consultation	Work with NCR to consult on the proposed changes in neighborhood spending oversight of City-reimbursed funds.

2018	Business Continuity and Disaster Recovery - City-Wide Overview	Project	Inventory known critical systems across City departments covering: a. What critical systems have been identified. b. How departments approached business impact analyses to identify those systems. c. What business continuity and disaster recovery plans are in place.
2018	Business Continuity and Disaster Recovery - IT Department's Process	Audit	Assess how the City IT department addressed business continuity and disaster recovery, covering: a. IT's business impact analysis process. b. Recovery time objectives. c. Review of the effectiveness of the recovery plan designs to restore City operations after a disaster.
2018	System Access Vulnerability - Separation Process	Consultation	Assess the effectiveness of HR's new separation process by reviewing communication channels, determining whether critical systems are adequately covered, and measuring the timeliness and accuracy of access removal.
2018	Continuity and Access - City-Critical IT Systems - Traffic Control	Audit	Assess the IT system of a city-critical area identified during risk assessment - the traffic control system. a. Business Continuity/Disaster Recovery review b. User access administration review
2018	Continuity and Access - City-Critical IT Systems - Minneapolis Water	Audit	Assess the IT system of a city-critical area identified during risk assessment - the Minneapolis Water system. a. Business Continuity/Disaster Recovery review b. User access administration review
2018	IT 3rd Party Risk Management Process	Consultation	Review the 3rd party risk management processes followed by the IT department, covering: a. How risks associated with business partners and suppliers are evaluated. b. How contract assessments of security and privacy considerations are performed.
2018	Results MPLS	Project - Staff Direction	Collaborate with City staff tasked with Results Minneapolis to increase the usefulness of Results Minneapolis as a tool for Council oversight of departments.
2018	Complaint Protocol	Project - 2015 Consult Follow-up	Collaborate with City staff responsible for receiving and addressing complaints to implement a uniform complaint protocol.